

REMARKS

Claims 39 and 42-61 are currently pending in the application. Applicant has amended claims 39 and 54 and requests entry of the Amendment. Applicant also requests reconsideration of the application in light of the following remarks.

Request to Admit the Amendment

Applicant believes that the foregoing amendment presents the rejected claims in better form for appeal. Pursuant to 37 C.F.R. §1.116(b), Applicant requests the Examiner to admit the amendment. However, even if the Examiner decides not to admit the amendment under 37 C.F.R. §1.116(b), Applicant respectfully requests the Examiner to admit the amendment pursuant to 37 C.F.R. §1.116(c). The foregoing amendment includes elements Applicant believed were unnecessary because they were believed to be inherent in the claims (see, for example, claim 48) that relate to the net present value of a medical service to be performed. Applicant has added the language to claims 39 and 54 to more fully define the invention of the claims to clarify that the medical service is a future medical service and that the net present value of the service is made prior to providing the medical service. Upon these good and sufficient reasons for why the amendment is necessary and was not earlier presented, Applicants request the Examiner admit the amendment pursuant to either 37 C.F.R. §1.116(b) or 37 C.F.R. §1.116(c).

Rejections under 35 U.S.C. §103

To establish a *prima facie* case of obviousness under 35 U.S.C. §103, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to

combine reference teachings. Second, there must be a reasonable expectation of success. Third, the cited prior art reference must teach or suggest all of the claim limitations. Furthermore, the suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based upon the Applicants' disclosure. A failure to meet any one of these criteria is a failure to establish a *prima facie* case of obviousness. MPEP §2143.

Claims 39, 42-43, 45-46, 49-51 and 56-57

Claims 39, 42-43, 45-46, 49-51 and 56-57 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Pritchard (4,491,725), in view of Aleia, et al (5,991,733). Applicants respectfully traverse this rejection and request reconsideration of the claims.

The Claims are Not Obvious

The combination of Pritchard and Aleia referred to by the Examiner fails to provide a *prima facie* showing of obviousness as required by §2143 of the Manual of Patent Examining Procedure (MPEP). Three criteria must be met to provide *prima facie* obviousness. The first of these is a suggestion or motivation in the references or the knowledge generally available to combine the reference teachings. The second is that the prior art must teach or suggest all of the claim limitations. The third is that a reasonable expectation of success must exist from the references should the combination be carried out. Applicants submit that all of these elements are lacking in the Examiner's rejection.

A. No Motivation or Suggestion to Combine the References

When applying 35 U.S.C. § 103, the references must be considered as a whole and must suggest the desirability and, thus, the obviousness of making the combination. *Hodash v. Block Drug Co., Inc.*, 786 F.2d 1136, 1143, n. 5, 229 USPQ 182, 187, n. 5 (Fed. Cir. 1986).

Applicants further submit that references cannot be considered collectively until the Examiner points to some motivation to combine those references. The purpose behind this requirement is to prevent the Examiner from using the invention itself and hindsight reconstruction to defeat the patentability of the invention. The Federal Circuit, in a recent decision, articulates this position:

To prevent the use of hindsight based on the invention to defeat patentability of the invention, this court requires the examiner to show a motivation to combine the references that create the case of obviousness. In other words, the examiner must show reasons that the skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would select the elements from the cited prior art references for combination in the manner claimed.

See In re Rouffet et al., No. 97-1492, 1998 U.S. App. Lexis 16414, at 15-16 (Fed. Cir. July 15, 1998).

The references do not suggest the desirability of making the combination. Pritchard teaches a system whereby a doctor's office can verify the eligibility of a patient to receive particular medical services based upon the current fee schedule for the patient's insurance company. The doctor's office can check the amount the insurance company says it will pay for a particular service code entered for a medical service from the fee schedule. This is common with conventional systems

and allows doctors to verify that a patient's insurance is valid and that the insurance covers selected procedures prior to the doctor providing the medical service.

Aleia is a software system designed to manage unpaid insurance receivable accounts for *past* medical services after the account receivable has been created. The situations where the system of Aleia would be used is after the medical service has been provided and the insurance company has refused to pay. The Aleia system provides no teaching or suggestion to use this system with one like Pritchard that verifies a patient's insurance eligibility prior to providing the medical service. Aleia determines which conventional approach to collecting the existing debt will be most profitable for the collection agency (i.e. sending it to attorneys, settling the account, etc.). Aleia indicates that it uses "successful outcomes for like cases stored in the system" to assist in determining the most profitable outcome. *See Aleia at col. 11, lines 28-30.*

The Office Action asserts that it would be obvious to combine the attempts to predict the success of collecting a debt aspect of the Aleia system with the insurance verification aspects of Pritchard for the "motivation of providing a more accurate means for determining the cost of treating a patient by utilizing historical information to predict success and dollar value of an outcome dynamically." *See most recent Office Action, p. 4.* The Office Action reads far too much into this purported motivation. The asserted motivation does not provide motivation to combine the Aleia system with the future services aspect of Pritchard, but rather to combine some other system for collecting existing debts for past services rendered.

The cited section of Aleia, col. 10, lines 60-65 that the Examiner quotes as motivation to combine, relates specifically to "utilizing historical information to predict success and dollar value of outcome" for collecting past, unpaid accounts receivable, and further explains that it "captures cost incurred to date and projects future costs based on next recommended actions." There is no

motivation found in Aleia to combine the past accounts receivable collection system of Aleia with an insurance verification system for future services like Pritchard because the systems like Pritchard operate on the basic presumption that the insurance company will pay its debts according to its payment fee schedule. Aleia only comes into play after the insurance company has defaulted on its agreement to pay as an attempt to settle the outstanding debt.

There is no teaching or suggestion in Pritchard or Aleia to indicate that an evaluation of the amount the doctor is likely to successfully collect for a future unpaid insurance charge for a future medical service should be considered when verifying insurance coverage prior to providing the medical service. The two systems relate to two entirely separate parts of the medical services money system and there is no related suggestion or reason to combine them found in the cited references.

B. Cited References do not Provide Reasonable Expectation of Success

The cited references do not provide a reasonable expectation of successful combination or an explanation of how they would be combined to teach or suggest the claimed invention. While the Examiner argues one would be motivated to combine the Pritchard insurance verification portion of the medical services field with the collection of unpaid debts portion of the medical services field, the Federal Circuit has held that “obvious to experiment” is not the standard for obviousness. *In re Dow Chemical*, 5 USPQ2d 1529 at 1532 (Fed. Cir. 1988). In moving from the prior art to the claimed invention, one cannot base a determination of obviousness on what the skilled person might try or find obvious to try. The proper test requires determining whether the prior art provides an express suggestion to combine with an expectation of success.

Aleia, col. 9, line 22 to col. 11, line 30 summarizes the analysis that is used by the Aleia system to estimate the best collection process and value of pursuing an uncollected debt, and lists many factors specifically related to past unpaid debt disputes (historical profile, dispute type, original billing mode, account balance, etc.) for determining the likelihood of success and value of collecting the debt. The Office Action asserts that the calculation for collections should be applied to the insurance verification process, but does not indicate where in the combined teachings of Pritchard and Aleia the explanation exists for how to combine the references or that there will be any indication that such a combination will provide a valued service or even be feasible. From the references themselves, there does not appear to be any historical database in existence that indicates whether the insurance companies pay their schedule of fees, or what different considerations need to be made in evaluating the likelihood of success for collecting from an insurance company for a future medical service to be provided to a patient according to the insurance company's schedule of fees. There is not even an expectation that such a calculation could be accurately predicted. Based upon Applicant's disclosure, the Examiner would like someone to try, but the suggestion to try and the expectation of success needs to come from the prior art references, not from reconstruction based upon Applicant's disclosure.

A person skilled in the art would not be led to combine a debt collection system that evaluates the likelihood of collecting an unpaid accounts receivable debt with an insurance verification system to determine specifically the value likely to be collected from the insurance company based upon their historical payments prior to providing the medical service from the disclosures of Pritchard and Aleia. Applicant only discovered the value and possibilities for its system after significant empirical calculations and experimentation, the ultimate results of which are provided in Applicant's specification. Prior to these experiments and the efforts and ingenuity of Applicant, it was impossible to predict whether such a system was viable and whether the process would be valuable to doctors. Therefore, no reasonable expectation of success existed previously.

C. Cited References Do Not Teach the Claim Limitations

Even if the cited references are combined (and Applicants maintain that combination is improper), the cited references do not teach each claim limitation. The teachings of Pritchard and Aleia are detailed under section A above. Claim 39, as amended, recites, “access data indicative of the historical payment patterns of the TPP to one or more medical service providers from which a net present value of a future payment by the TPP for at least one future medical service for a patient associated with the TPP may be generated; and . . . generate an indication of the net present value of the at least one future medical service prior to providing the medical service, the indication based at least in part on the historical payment patterns of the TPP to the one or more medical service providers.”

The Examiner asserts that the service provided by Aleia (collections of unpaid accounts receivables from insurance companies) is a “medical service.” *See Aleia*, p. 4. This is absurd. Debt collection is not a medical service under any definition of the words even if the debt collection is for collection of unpaid medical insurance accounts receivable.

The services previously performed by the doctor’s office for which the unpaid accounts receivable debt was incurred, however, are much more likely to be medical services. The data accessed by the Aleia system relates to a future payment from collections efforts by the Aleia system against the TPP for medical services previously provided to the patient by a doctor, but not for future medical services; only for past medical services after the debt has been incurred and the amount due was not paid.

One significant problem with the type of system disclosed in Pritchard, that Applicant’s claimed invention attempts to overcome, is that the doctor’s office provides the medical services

requested based upon a belief that the insurance company will pay for the services provided. The calculation as to what the net present value of the future payment by the TPP for the future medical service is not considered when verifying insurance. Nor is it considered how long it will take the insurance company to pay the bill, whether the insurance company will pay the full amount of the bill from the fee schedule, or whether the insurance company will declare bankruptcy before the scheduled amount is paid. Applicant's invention of claim 39 addresses the problem faced by doctors who find that many insurance companies, and particularly ones that are in financial difficulty, delay payments for several months and discount fees paid to maximize current profits. Thus, although the current schedule of fees for two different insurance companies may be the same for a particular medical procedure, the present value of the future payment from that insurance company to the doctor may be significantly different. Although the doctors did not consider this when they were agreeing to provide a particular medical service for a particular insured patient, the doctors are stuck with the result under the Pritchard system once the service is provided. Doctors then need to use a system like Aleia to determine the best method of collecting the debt which brings into play an entirely new set of considerations and rules. Doctors regularly find that despite the schedule of fees and the presumption that payment will be received, they are struggling to cover their office expenses due to delays in insurance company payments.

As discussed above, the combined teachings of Pritchard and Aleia do not teach or suggest generating "an indication of the net present value of the at least one future medical service prior to providing the medical service, the indication based at least in part on the historical payment patterns of the TPP to the one or more medical service providers." Because there is no teaching, suggestion or motivation to combine Pritchard with Aleia, no reasonable expectation of success if they were combined as the Examiner suggests, and not all of the elements of claim 39 are included within the proposed combination of references, claim 39 is allowable over the combination of Pritchard and Aleia. Dependent claims 42-43, 45-46, 49-51 and 56-57 are each allowable over

the combination of Pritchard and Alea, among other reasons, for depending from allowable claim 39. Accordingly, Applicant respectfully requests that the obviousness rejection of claims 39, 42-43, 45-46, 49-51 and 56-57 be withdrawn.

Claims 47-48

Claims 47-48 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Pritchard (4,491,725), in view of Aleia, et al (5,991,733) as applied to claim 39 and further in view of Javitt (5,918,208). Applicants respectfully traverse this rejection and request reconsideration of the claims.

With reference to claim 39, Applicant has discussed why it is not proper to combine Aleia and Pritchard, why the combination of those references does not teach or suggest every element of claim 39, and why even if they were combined there is no reasonable expectation of success. Javitt does not include any additional disclosure that would change that evaluation, and the most recent Office Action has not asserted any relevant to claim 39. The Office Action, at page 8, asserts that the combination of Javitt with the system of Pritchard and Aleia, though Applicant maintains that there is no motivation to combine those references, would allow a physician to forecast revenues from a payer by calculating the rates the payer's insurance will pay. This, however, does not teach or suggest calculation of a net present value of the future payment that would be received for providing the future medical service based upon the payment history of the third party payor. It ignores the time value of money aspect of net present value and calculates only the future value of the money compared with current services as if the entire payment were received immediately for providing the service. Accordingly, dependent claims 47-48 are allowable over the combination of references. Applicant respectfully requests that the obviousness rejection of claims 47-48 be withdrawn.

Claims 52 and 59-60

Claims 52 and 59-60 was rejected under 35 U.S.C. § 103(a) as being unpatentable over Pritchard (4,491,725), in view of Aleia, et al (5,991,733) as applied to claim 39 and further in view of Evans (5,924,074). Applicants respectfully traverse this rejection and request reconsideration of the claims.

With reference to claim 39, Applicant has discussed why it is not proper to combine Aleia and Pritchard, why the combination of those references does not teach or suggest every element of claim 39, and why even if they were combined there is no reasonable expectation of success. Evans does not include any additional disclosure that would change that evaluation, and the most recent Office Action has not asserted any relevant to claim 39. Evans discloses an electronic medical records system with the ability to schedule appointments. Accordingly, dependent claims 52 and 59-60 are allowable over the combination of references, among other reasons, for depending from allowable claim 39. Applicant respectfully requests that the obviousness rejection of claims 52 and 59-60 be withdrawn.

Claims 44 and 61

Claims 44 and 61 was rejected under 35 U.S.C. § 103(a) as being unpatentable over Pritchard (4,491,725), in view of Aleia, et al (5,991,733) as applied to claim 39 and further in view of Official Notice. Applicants respectfully traverse this rejection and request reconsideration of the claims.

With reference to claim 39, Applicant has discussed why it is not proper to combine Aleia and Pritchard, why the combination of those references does not teach or suggest every element of

claim 39, and why even if they were combined there is no reasonable expectation of success. The Office Action's Official Notice does not include any additional disclosure that would change that evaluation, and the most recent Office Action has not asserted any relevant to claim 39. The Official Notice asserts that a cost calculation in setting the cost of a product or service would necessarily include the cost of administration, overhead, staff, equipment, supplies and utilities. There is no additional assertion, nor should there be, that it would further necessarily include an estimate of the present value of providing a future medical service based upon the future payment by a TPP based in any part upon the historical payment patterns of the TPP. Accordingly, dependent claims 44 and 61 are allowable over the combination of references, among other reasons, for depending from allowable claim 39. Applicant respectfully requests that the obviousness rejection of claims 44 and 61 be withdrawn.

Claim 53

Claim 53 was rejected under 35 U.S.C. § 103(a) as being unpatentable over Pritchard (4,491,725), in view of Aleia, et al (5,991,733) and Evans (5,924,074) as applied to claim 39 and further in view of Official Notice. Applicants respectfully traverse this rejection and request reconsideration of the claims.

With reference to claim 39, Applicant has discussed why it is not proper to combine Aleia and Pritchard and Evans, why the combination of those references does not teach or suggest every element of claim 39, and why even if they were combined there is no reasonable expectation of success. The Official Notice asserts that whether a patient is accepted always includes a determination as to whether the patient's insurance company pays its insurance claims efficiently. Applicant disagrees and asks for documentation as to this assertion as it relates to a mechanized system.

Furthermore, claim 53 is dependent from claim 52. Together, they read “software is configured to generate an indication of when a patient’s appointment should be scheduled as a function of at least one payment pattern of the TPP with which the patient is associated.” The combination of Evans, Pritchard, Aleia and even the Examiner’s Official Notice does not provide any teaching or suggestion to suggest timing for a patient’s suggestion based upon the payment patterns of the TPP. The assertion made by the Official Notice was that the patient could be refused service and the insurance not accepted if the payments from the insurance were not efficient, but no suggestion was made as to when to schedule an appointment based upon those payments. Dependent claim 53 is, therefore, allowable on its own as well as being allowable for depending from allowable claim 39. Applicant respectfully requests that the obviousness rejection of claim 53 be withdrawn.

Claims 54-55

Claims 54-55 was rejected under 35 U.S.C. § 103(a) as being unpatentable over Pritchard (4,491,725), in view of Aleia, et al (5,991,733) as applied to claim 39 and further in view of Rensimer, et al (5,845,253). Applicants respectfully traverse this rejection and request reconsideration of the claims.

With reference to claim 39, Applicant has discussed why it is not proper to combine Aleia and Pritchard, why the combination of those references does not teach or suggest every element of claim 39, and why even if they were combined there is no reasonable expectation of success. Rensimer does not include any additional disclosure that would change that evaluation, and the most recent Office Action has not asserted any relevant to claim 39. Rensimer discloses a system for providing a recommended duration for an appointment based upon the service being performed. Rensimer does not disclose anything suggesting that the duration is based in any part

upon the payment patterns of the TPP. Accordingly, dependent claims 54 and 55 are allowable over the combination of references on their own and, among other reasons, for depending from allowable claim 39. Applicant respectfully requests that the obviousness rejection of claims 54 and 55 be withdrawn.

Claim 58

Claim 58 was rejected under 35 U.S.C. § 103(a) as being unpatentable over Pritchard (4,491,725), in view of Aleia, et al (5,991,733) as applied to claim 39 and further in view of Joao, (6,283,761). Applicants respectfully traverse this rejection and request reconsideration of the claims.

With reference to claim 39, Applicant has discussed why it is not proper to combine Aleia and Pritchard, why the combination of those references does not teach or suggest every element of claim 39, and why even if they were combined there is no reasonable expectation of success. Joao does not include any additional disclosure that would change that evaluation, and the most recent Office Action has not asserted any relevant to claim 39. The Office Action makes a confusing reference to Giannini, but does not apply the reference - therefore Applicant will not address that reference. Joao discloses a system for wireless superbill creation. Joao does not disclose anything suggesting that the duration is based in any part upon the payment patterns of the TPP. Accordingly, dependent claim 59 is allowable over the combination, among other reasons, for depending from allowable claim 39. Applicant respectfully requests that the obviousness rejection of claim 58 be withdrawn.

CONCLUSION

In summary, and in view of the amendments herein, none of the references cited by the Examiner nor any other known prior art, either alone or in combination, disclose the unique combination of features disclosed in applicant's claims presently on file. For this reason, allowance of all of applicant's claims is respectfully solicited.

Applicants hereby declare that any amendments herein that are not specifically made for the purpose of patentability are made for other purposes, such as clarification, and that no such changes shall be construed as limiting the scope of the claims or the application of the Doctrine of Equivalents.

If any fees, including extension of time fees or additional claims fees, are due as a result of this response, please charge Deposit Account No. 19-0513. This authorization is intended to act as a constructive petition for an extension of time, should an extension of time be needed as a result of this response. The examiner is invited to telephone the undersigned if this would in any way advance the prosecution of this case.

Respectfully submitted,

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